



## North Carolina Department of Health and Human Services Division of Aging

Michael F. Easley, Governor  
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Director

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Dear Colleague:

The following is a summary of aging related legislation passed by the N.C. General Assembly in the long session which ended on December 6. Although this was a very tight budget year, you will note from reviewing this summary that there was significant legislation passed this session to benefit senior adults in our state.

One item in particular that will impact many people is the increase in the Homestead Property Tax Exemption for low-income elderly and disabled persons. Income eligibility was increased from \$15,000 to \$18,000. The legislation also stipulated that effective July 1, 2003, the income eligibility limit will be adjusted to the nearest \$100 based on the annual cost-of-living adjustments used in calculating Social Security and Supplemental Security Income benefits. The property tax exemption amount was increased from \$20,000 to \$20,000 or 50% of the appraised value of the residence, whichever is greater. The deadline for requesting the exemption was extended from April 15 to June 1 preceding the tax year for which the exemption is claimed. Please help to spread the word about this important change.

Much of the credit for the passage of this piece of legislation as well as other bills which impact seniors goes to our friends in the General Assembly and to aging consumers, providers and advocates for keeping priority issues before all the members of the General Assembly. The diligent advocacy efforts of the members of our aging community were also most instrumental in helping to hold the line on funding for aging services in these tough fiscal times.

I trust that this summary will answer many of the questions you may have about actions taken by the General Assembly. If you have questions or need additional information, please feel free to contact us. You may also want to consult the web site for the General Assembly (<http://www.ncga.state.nc.us/html2001Info>) for information about specific bills.

In closing, I would like to extend special thanks to John Saxon at the Institute of Government. John compiled an initial summary of legislation which impacts senior adults. Staff at the Division of Aging expanded this summary to include more detailed information on specific legislation of special interest to the aging network and added summaries of some of the additional health and human service related bills which passed this session.

Sincerely,

*Karen E. Gottovi*

Karen E. Gottovi

# **Aging Related Legislation and Other Legislation of Interest to Older Adults and Aging Advocates**

## **Approved 2001 Legislative Session**

This summary of legislation which passed in the 2001 legislative session is divided into four sections: (1) legislation impacting state and local aging agencies, (2) legislation related to long-term care, (3) Legislation related to programs, assistance, and services for older adults, and (4) other legislation of particular relevance to older adults or aging issues.

### **State and Local Aging Agencies**

#### **State Division of Aging**

*Division of Aging Budget.* The Current Operations and Capital Improvements Appropriations Act of 2001, S.L. 2001-424 (S 1005) appropriates \$29.5 million in state funding to the Department of Health and Human Services' (DHHS) Division of Aging for SFY 2001-02 and 2002-03.

*Division of Aging Reorganization.* Section 21.33 of S.L. 2001-424 (S 1005) requires the Division of Aging to consolidate its planning and information section with its budget and information section. Savings in non-state funds realized from reduction in positions must be reallocated to direct services.

#### **Area Agencies on Aging**

*Consolidation Study.* Section 21.32 of S.L. 2001-424 (S 1005) directs DHHS to conduct a cost-benefit analysis studying possible cost savings and increased efficiencies that might result from reducing the number of area agencies on aging and to report the results of its study to the General Assembly by March 1, 2002. (There are currently 17 area agencies on aging in North Carolina.)

*State Funding for Area Aging Agencies.* S.L. 2001-424 (S 1005) reduces state funding to Area Agencies on Aging from \$900,000 to \$700,000 per year (allocated equally among the 17 Area Agencies on Aging).

### **Long-Term Care**

#### **Continuum of Long-Term Care**

Section 21.9 of S.L. 2001-424 (S 1005) is an on-going provision which requires DHHS to develop a system that provides a continuum of long-term care for elderly individuals, disabled persons, and their families. The system must include structures and means for screening, assessment, and care management across long-term care settings; a process for determining outcome measures for long-term care; an integrated data system; relationships between DHHS and universities to provide policy analysis and program evaluation of long-term care reforms; and other specified components. If non-state funds are available, DHHS, with the approval of the Office of State Budget and Management, may proceed to implement the initial phase of a comprehensive data system for long-term care and develop a long-term care services coordination and case management system to minimize administrative costs, improve access to services, and minimize obstacles to the delivery of long-term care services. DHHS must submit a progress report to the General Assembly by April 15, 2002.

#### **Long-Term Care Planning Local Lead Agency**

Section 22.1 of the Studies Act of 2001 [S.L. 2001-491 (S 166)] requires the DHHS Division of Aging to study whether counties should designate local lead agencies to organize a local long-term care planning process and to report its findings and recommendations to the North Carolina Study Commission on Aging before the 2003 legislative session.

## **Quality of Care in Long-Term Care Facilities**

S.L. 2001-385 (H 1068) directs DHHS to study methods (other than imposing monetary penalties for deficiencies) for improving and rewarding the quality of care in adult care homes and to report the results of its study and legislative recommendations to the General Assembly by March 1, 2002. S.L. 2001-385 also requires DHHS (1) to offer joint training of Division of Facility Services consultants, county department of social services adult home specialists, and adult care home providers focusing on frequently-cited deficiencies in care; (2) to offer similar training for survey team members and nursing home providers; (3) to develop an adult care home quality improvement consultation program; (4) to establish a skilled nursing facility improvement consultation project; (5) to explore alternatives to existing oversight and survey practices that will ensure quality in adult care homes and nursing homes; and (6) to study alternative ways of reimbursing adult care homes for the costs of residents residing in special care units and to report the results of this study to the General Assembly by March 1, 2002.

Section 21.36 of S.L. 2001-424 (S 1005) requires DHHS and the North Carolina Institute of Medicine to continue a special work group to develop and implement criterion-based indicators for monitoring the quality of care in long-term care facilities and programs.

S.L. 2001-482 (S 178) requires DHHS to develop an assessment instrument that will enable adult care home residents and their families to determine the extent to which adult care homes provide quality care. DHHS must report on the development of the assessment instrument to the North Carolina Study Commission on Aging by April 1, 2002, and recommend whether the assessment of adult care homes should be conducted by a state agency or by local governments.

## **Long-Term Care Staffing**

Effective October 1, 2001, S.L. 2001-85 (H 736) requires all licensed adult care and nursing homes to post information that will allow residents, patients, and their families to determine on a daily basis the number of direct care staff and supervisors that are required to be on duty during each shift.

## **Long-Term Care Aide Workforce**

Section 10.5 of the Studies Act of 2001 [S.L. 2001-491 (S 166)] authorizes the Joint Legislative Health Care Oversight Committee to study workforce issues pertaining to the long-term care aide workforce.

## **Long-Term Care Criminal Records Checks**

S.L. 2001-465 (S 826) (1) suspends until January 1, 2003, the requirements of G.S. 131E-265(a1) and 131D-40 regarding national criminal history checks for employees of adult care homes and contract agencies of adult care homes, nursing homes, and home health agencies; (2) suspends until January 1, 2003, the requirements of G.S. 131E-265(a) regarding national criminal history checks for employees of nursing homes and home health agencies other than those who provide direct care to patients; (3) requires that national criminal history checks under G.S. 131E-265(e) be conducted in accordance with Public Law 105-277; and (4) authorizes the Legislative Research Commission to study how federal law affects the distribution of national criminal history record check information requested for nursing homes, adult care homes, and other agencies, and the problems federal restrictions pose for effective and efficient implementation of state-required criminal records checks.

## **State-County Special Assistance**

*State-County Special Assistance Payments.* Section 21.44 of S.L. 2001-424 (S 1005) increases the maximum State-County Special Assistance payment for elderly or disabled residents of adult care homes to \$1,091 per month effective October 1, 2001, and to \$1,120 per month effective October 1, 2002.

*Special Assistance Demonstration Project.* S.L. 1999-237 established a demonstration project under which Special Assistance payments could be made to up to 400 eligible individuals in in-home living arrangements. Section 21.29 of S.L. 2001-424 (S 1005) allows payments under this demonstration project to be continued through June 30, 2003 in the case of persons who are enrolled in the project as of June 30, 2002 and remain continuously eligible. Payments under the demonstration project may not exceed 50 percent of the payment an individual would receive if he or she resided in an adult care home. Section

21.29 also directs DHHS to apply for a federal waiver extending Medicaid eligibility to persons receiving Special Assistance under the demonstration project. If the waiver is granted, DHHS may not implement the waiver without the General Assembly's approval.

### **Adult Care Home Resident Assessment Services**

Section 21.35 of S.L. 2001-424 (S 1005) is an ongoing provision which stipulates that funds appropriated to DHHS, Division of Social Services, for adult care home positions shall be used for personnel trained in the medical and social needs of older adults and disabled persons in adult care homes and to evaluate individuals requesting State/County Special Assistance to pay for care in adult care homes. These personnel shall develop and collect data on the appropriate level of care in the long-term care system and shall also provide technical assistance to adult care homes on how to conduct functional assessments and develop care plans and shall assist in monitoring the Special Assistance Demonstration Project.

### **Adult Care Home Rates**

Section 21.7 of S.L. 2001-424 (S 1005) directs DHHS to implement four recommendations contained in the State Auditor's performance audit report regarding adult care home reimbursement rates. This section further authorizes the legislature's Fiscal Research Division to contract with an independent consultant to develop a new rate methodology for payments to adult care homes and directs that the consultant's report be submitted to the General Assembly by June 1, 2002. DHHS may not implement an alternative payment procedure for adult care homes without the General Assembly's approval.

### **Adult Care Home Special Care Units**

S.L. 2001-157 (H 958) requires adult care homes that receive Special Assistance or Medicaid payments and have special care units for residents with dementia to submit to DHHS cost reports that identify the costs of their special care units. In developing these reports, homes shall not average special care costs with other adult care home costs. S.L. 2001-157 also requires DHHS to develop, based on the data in these cost reports and the funding available from both State/County Special Assistance and Medicaid payments, a designated reimbursement system for residents of special care units, but prohibits DHHS from implementing this system until it has been reviewed by the General Assembly. DHHS must report its proposed system to the General Assembly by May 1, 2002.

### **Certificate of Need for Adult Care Homes**

S.L. 2001-234 (S 937) (1) extends until December 31, 2001, with some modifications, the moratorium on state approval of additional adult care beds first enacted in 1997; (2) effective January 1, 2002, amends G.S. 131E-175 and 131E-176 to require that the construction of adult care homes and additional adult care home beds be regulated under North Carolina's certificate of need law; and (3) requires DHHS to make recommendations to the State Health Care Coordinating Council by May 1, 2002, regarding a state medical facilities planning methodology necessary to delineate the persons served by adult care homes according to the needs of those populations.

### **Community-Based Services Provided Through Adult Care Homes**

Section 21.54 of S.L. 2001-424 (S 1005) requires DHHS to develop a model project for delivering community-based mental health, developmental disabilities, and substance abuse services through adult care homes that have excess capacity.

### **Liability Insurance for Long-Term Care Facilities**

Section 2.1C of the Studies Act of 2001 [S.L. 2001-491 (S 166)] authorizes the Legislative Research Commission to study issues regarding the availability of liability insurance for long-term care facilities, hospitals, and doctors.

## **Retirement Facilities' Property Tax Exemption**

S.L. 2001-17 (H 193) amends G.S. 105-278.6A to provide a property tax exemption for certain qualified retirement facilities that provide charity care or community benefits.

## **Nursing Home Administrator Act**

S.L. 2001-153 (S 749) makes technical changes to the nursing home administrator act.

## **Other Programs, Assistance, and Services for Older Adults**

### **Property Tax Exemption for Elderly or Disabled Homeowners**

G.S. 105-277.1 provides financial assistance to low-income elderly or disabled homeowners by exempting part of the value of their homes from the property tax levied by North Carolina counties and municipalities. Under current law, an elderly or disabled homeowner is eligible for the exemption (the first \$20,000 of appraised value of property used as his or her permanent residence) if he or she is a North Carolina resident and his or her income for the preceding calendar year was \$15,000 or less. Under current law, the cost of property tax relief for low-income elderly or disabled homeowners (approximately \$27 million) is divided between local governments (approximately \$19.1 million in lost tax revenues) and the state (\$7.9 million in reimbursements provided to local governments pursuant to G.S. 105-277.1A).

Effective July 1, 2002, S.L. 2001-308 (H 42) amends G.S. 105-277.1 by increasing the income eligibility limit from \$15,000 to \$18,000. Effective July 1, 2003, the income eligibility limit will be adjusted to the nearest \$100 based on annual cost-of-living adjustments used in calculating Social Security and Supplement Security Income benefits. S.L. 2001-308 also increases the amount of the exemption from \$20,000 to \$20,000 or 50 percent of the appraised value of the residence, whichever is greater, and extends the deadline for requesting the exemption from April 15 to June 1 preceding the tax year for which the exemption is claimed. Local governments will bear the entire cost of expanding property tax relief for low-income, elderly or disabled homeowners (approximately \$11.8 million in SFY 2002–03).

Effective July 1, 2003, section 34.15(a)(5) of S.L. 2001-424 (S 1005) repeals G.S. 105-277.1A, which currently requires the state to reimburse local governments for a portion of the property tax revenues (approximately \$7.9 million) they lose due to property tax relief for low-income elderly or disabled homeowners pursuant to G.S. 105-277.1. This, combined with the enactment of S.L. 2001-308, means that local governments will be required to bear the entire cost of providing property tax relief to low-income elderly or disabled homeowners (approximately \$38.8 million in SFY 2002–03).

### **Senior Centers**

Section 31.20 of S.L. 2001-424 (S 1005) is an ongoing provision which stipulates that the Division of Aging is to use funds appropriated for senior centers programs to expand the outreach capacity of senior centers to reach unserved or underserved areas or to provide start-up funds for new senior centers. Prior to funds being allocated, the board of county commissioners of the county in which a new center is to be located shall formally endorse the need for a center, formally agree on the sponsoring agency for the center, and make a formal commitment to use local funds to support the ongoing operation of the center. State funds are not to exceed 90% of reimbursable costs.

### **Alzheimer's Association Chapters**

Section 21.31 of S.L. 2001-424 (S 1005) specifies that \$150,000 is appropriated to the Division of Aging for allocation of \$75,000 each to the two Alzheimer's Association chapters in the state. In previous years, there were three chapters. Two chapters merged and this provision notes this new configuration.

### **Adult Day Care**

*Adult Day Care Funding.* Section 21.47 of S.L. 2001-424 (S 1005) directs the Division of Aging to implement changes to equitably allocate funding to adult day care providers to ensure that the program will serve new clients and not fund unused slots. The Division is to report to the General Assembly by

January 1, 2002, and indicate the new methodology for allocating funds and estimates of new clients to be served.

*Adult Day Care Transportation.* Effective October 1, 2001, S.L. 2001-90 (H 329) amends G.S. 131D-6(b) to provide that adult day care programs are not required to provide transportation to participants, but those programs that choose to provide transportation must comply with rules adopted by the Social Services Commission regarding the health and safety of participants during transport.

*Adult Day Care Rates.* Legislation (S 167 and H 162) authorizing counties (rather than state agencies) to establish rates for reimbursement for adult day care under the Home and Community Care Block Grant was introduced and passed the Senate and House during 2001. Neither bill, however, was enacted and both remain eligible for consideration during the 2002 legislative session.

## **Prescription Drug Assistance**

Section 21.6 of S.L. 2001-424 (S 1005) appropriated \$200,000 each year of the biennium to be used to assist eligible individuals in obtaining prescription drugs at no cost or for a nominal fee through pharmaceutical company programs or initiatives. Implementation reports are due December 1, 2001, April 1, 2002, and October 1, 2002.

Section 21.88 of S.L. 2001-424 (S 1005) continues the state's prescription drug assistance program which began in 1999 and provides \$500,000 per year in state funding for the program. Persons who are age 65 or older, have incomes that do not exceed 150 percent of the federal poverty guideline, and suffer from cardiovascular disease or diabetes are eligible for the program.

Section 21.100 of S.L. 2001-424 (S 1005) directs the North Carolina's Health and Wellness Trust Fund Commission to develop grant criteria that will enable programs to receive funding to expand the access of elderly or disabled persons to prescription drugs.

Section 10.3 of the Studies Act of 2001 [S.L. 2001-491 (S 166)] authorizes the Joint Legislative Health Care Oversight Committee to study ways in which the state might make prescription drug coverage more accessible and affordable to senior citizens.

## **Public Transportation**

S.L. 2001-424 (S 1005) appropriates \$1.4 million per year in recurring state funding to the state Department of Transportation for public transportation for the elderly and disabled (a \$500,000 per year increase in funding).

S.L. 2001-168 (S 731) updates and modifies the process for development of coordinated transportation plans.

## **Medicaid**

Section 10.4 of the Studies Act of 2001 [S.L. 2002-491 (S 166)] authorizes the Joint Legislative Health Care Oversight Committee to study the county share of the cost of Medicaid, including the benefits, legal implications and respective services costs of the Medicaid program, and the associated implications and capability by counties to generate sufficient revenue.

Sections 21.19 through 21.28A of the budget bill, S.L. 2001-424 (S 1005), contain numerous provisions relative to changes in the Medicaid program. Many of these changes are targeted to cost-containment.

## **Medicare Supplements and Long-Term Care Insurance**

Part X of S.L. 2001-334 (H 360) repeals the "sunset" on G.S. 58-54-45 and amends that section to require insurers to offer Medicare supplement plans A, C, and J to disabled Medicare beneficiaries under the age of 65 and offer a guaranteed right of enrollment in plans A or C to those beneficiaries whose coverage under a managed care plan has been terminated due to cancellation, nonrenewal, or disenrollment within the past 63 days. Part XI of S.L. 2001-334 authorizes the Commissioner of Insurance to adopt temporary rules for Medicare supplement and long-term care insurance when necessary to comply with federal laws and regulations or changes in federal laws and regulations.

## **Mental Health Reform**

S.L. 2001-437 (H 381) is an extensive bill which spells out the phasing in of the implementation of mental health system reform at the state and local level.

## **Veterans Issues**

S.L. 2001-86 (H 979) directs the State Board of Education to issue special high school diplomas to veterans of World War II who have not previously received diplomas.

S.L. 2001-143 (H 262) modifies the eligibility requirements for interment in a State Veterans Cemetery;

S.L. 2001-117 (H 261) amends the State Veterans Home Act by specifying that the Veterans Affairs Commission may delegate authority to the Assistant Secretary of Veterans Affairs for the expenditure of funds from the North Carolina Veterans Home Trust Fund for operations of the State Veterans Homes and that any required additional administrative staff may be hired to help with administrative and operational responsibilities at each of the established State Veterans Homes.

## **Other Legislation of Relevance to Older Adults or Aging Issue**

### **Administration of Trusts**

S.L. 2001-413 (H 1070) rewrites the provisions of Art. 3 of Chapter 36A of the General Statutes regarding the resignation, removal, and renunciation of trustees and appointment of successor trustees, and enacts a new statute, G.S. 28A-22-10, governing the distribution of assets of an inoperative trust.

### **Managed Care Patients' Bill of Rights**

S.L. 2001-446 (S 199), enacts a "bill of rights" for patients covered by managed care plans.

### **Advance Health Care Directives Registry**

S.L. 2001-455 (H 1361) enacts a new section, G.S. 130A-465, requiring DHHS to establish a central registry for health care powers of attorney, declarations of desire for natural death (living wills), and other advance health care directives.

### **Criminal History Record Checks**

S.L. 2001-371 (S 195) authorizes the North Carolina Board of Nursing to require criminal history record checks of persons applying to practice nursing in the state of North Carolina and allows the Department of Justice to conduct criminal history record checks from state and national repositories of criminal history of applicants for licensure as registered nurses or licensed practical nurses upon the request of the Board of Nursing.

Section 21.2 of S.L. 2001-424 (S 1005) requires DHHS to centralize all activities throughout the Department related to the coordination and processing of criminal record checks required by law. DHHS must report on centralization to the Senate Appropriations Committee on Health and Human Services and to the Fiscal Research Division no later than January 1, 2002.

### **Portable "Do Not Resuscitate" Orders**

Effective December 1, 2001, S.L. 2001-445 (S 703) enacts a new statute, G.S. 90-21.16 authorizing "portable" "do not resuscitate" orders that recognize an individual's right to refuse cardiopulmonary resuscitation to avoid loss of dignity and unnecessary pain and suffering.

## **Guardianship**

Legislation to study North Carolina's guardianship statutes (S 179, S 766, and H 246) was introduced but not enacted during the 2001 legislative session.

## **Grandparents As Supervising Drivers**

S.L. 2001-194 (H 78) allows a grandparent, as well as a parent or guardian, of an individual who holds a limited learner's permit or driver's license to be a "supervising driver" under G.S. 20-11.

## **Organ, Eye, and Tissue Donor Registry**

S.L. 2001-481 (S 907) requires DHHS and other appropriate state agencies to study the establishment of a statewide organ, eye, and tissue donor registry, and to clarify the current law pertaining to anatomical gift donation.

## **Colorectal Cancer Screening**

S.L. 2001-116 (S 132) requires health insurance plans to provide coverage for colorectal cancer screening.

## **Good Samaritan Law**

S.L. 2001-230 (S 160) applies the liability limitations of the Good Samaritan Law to any volunteer medical or health care provider licensed or certified in this state who provides services within the scope of the provider's license or certification at a free clinic facility.

## **Housing Tax Credit**

S.L. 2001-431 (S 181) allows a pass-through entity to allocate a housing tax credit to any of its owners at the discretion of the pass-through entity.

## **Mortgage Lending**

S.L. 2001-393 (S 904) repeals the old registration system for mortgage bankers and brokers and requires that mortgage bankers and brokers be licensed by the state. The bill requires bankers and brokers to post bonds to cover damages in case of a dispute and allows borrowers to recover fees paid on an abusive loan. It delineates a number of prohibited practices including brokering a loan of \$150,000 or less that includes a prepayment penalty and it imposes duties on mortgage bankers and brokers including making a reasonable effort to place the borrower in an advantageous loan. The North Carolina Banking Commission is provided with clear enforcement authority.

## **Absentee Ballots**

S.L. 2001-507 (H 1195) includes a provision which allows ill and disabled civilians the same right as military personnel to request absentee ballots for an entire calendar year.

## **State and Local Government Retirement**

*Cost-of-Living Increase for State and Local Government Retirees.* Section 32.22 of S.L. 2001-424 (S 1005) provides a 2 percent cost-of-living increase for most retired state and local government employees covered by the Teachers' and State Employees' Retirement System (TSERS), the Consolidated Judicial Retirement System, the Legislative Retirement System, and the Local Government Employees' Retirement System (LGERS).

*Increased Local Government Retirement Benefits.* Section 32.23 of S.L. 2001-424 (S 1005) increases the retirement benefits of local government employees who are covered by LGERS and retire on or after July 1, 2001, by the "multiplier" for full retirement benefits from 1.78 percent to 1.81 percent of average final compensation.

*Optional Retirement Program for the North Carolina Community College System.* Effective January 1, 2002, section 32.24 of S.L. 2001-424 (S 1005) enacts a new statute, G.S. 135-5.4, establishing an optional retirement program for community college employees.



*Optional Retirement Program Study Commission.* Section 32.24A of S.L. 2001-424 (S 1005) establishes an Optional Retirement Program Study Commission and directs the new commission to examine the feasibility and desirability of expanding eligibility under the UNC optional retirement program to include all university employees who are exempt from the State Personnel Act and to study the feasibility and desirability of establishing an optional retirement program for community college employees. The commission must report the findings of its study to the 2002 legislative session.

*Early Retirement for State Employees and Law Enforcement Officers.* Section 2.1 of the Studies Act of 2001 [S.L. 2001-491 (S 166)] authorizes the Legislative Research Commission to study early retirement for state employees and law enforcement officers.

*State Contributions to Teachers' and State Employees' Retirement System.* Section 21 of S.L. 2001-513 (H 231) states the legislature's intent to make the contribution to the Teachers' and State Employees' Retirement System that would have been made for the period between February 28, and June 30, 2001, with interest, over a five-year period beginning July 1, 2003.

*Retired Teachers.* Before July 1, 2001, G.S. 135-3(8)c provided that a state government retiree's TSERS retirement benefits would not be suspended because of his or her post-retirement earnings as a public school teacher if he or she had been retired and not employed in any capacity (other than as a substitute teacher in a public school) for at least twelve months before returning to work as a teacher. Effective July 1, 2001 through June 30, 2003, section 32.25 of S.L. 2001-424 (S 1005) amends G.S. 135-3(8)c. and 115C-325(a)(5a) to allow a retired teacher to continue receiving his or her full retirement benefits if he or she has been retired and not employed in any capacity (other than as a substitute teacher or part-time tutor in a public school) for a least six months.

*PREPARE Program.* The Office of State Personnel's PREPARE program provides pre-retirement planning assistance to state employees aged 50 or older (or any age with 20 years of service) and encourages networking between retired state employees and agencies. Section 13.1 of S.L. 2001-424 (S 1005) abolishes the PREPARE program and encourages the State Treasurer's office to include the PREPARE model in its delivery of retirement services for state employees and retirees.

*Repurchase of Withdrawn TSERS Service.* Section 32.32 of S.L. 2001-424 (S 1005) increases the opportunities of state employees and retirees to repurchase withdrawn years of service under TSERS.

*LGERS Discontinued Service Retirement Allowance.* S.L. 2001-435 (H 943) enacts a new section, G.S. 128-27(a2), authorizing a discontinued service retirement allowance for certain local government employees whose employment is involuntarily terminated due to reduction in force, merger, or other specified circumstances.

*Retirement Benefits for Nonimmigrant Aliens.* Effective August 1, 2001, S.L. 2001-426 (H 1324) amends the definitions of "employee" and "teacher" in G.S. 128-21 and 135-1 to include nonimmigrant aliens who are otherwise eligible to participate in LGERS or TSERS.

The summary of aging related legislation was initially compiled by John Saxon with the Institute of Governments. Staff at the Division of Aging has expanded the summary to include more detailed information on specific legislation and to include summaries of some of the health related bills which passed this session.

Additional information about legislation which passed in the 2001 legislative session can be obtained from the website for the N.C. General Assembly. This web address is <http://www.ncga.state.nc.us/html2001/billInfo>.

## Action on State Budget Items of Interest to Aging Advocates

(Note: Parenthesis denotes budget reductions, "R" means recurring and "NR" means non-recurring)

	<b>FY 2001-02</b>	<b>FY 2002-03</b>
<b>Division of Social Services</b>		
Excess State/County Special Assistance	(\$2,751,750) R	(\$2,751,750) R
<b>Division of Medical Assistance</b>		
ICF/MR Rate Adjustment	(\$2,631,380) R	(\$2, 723,225) R
Drug Utilization Management	(\$16,700,000) R	(\$33,600,000) R
Dispensing Fee for Drugs	(\$3,450,000) R	(\$4,500,000) R
Generic Drugs	(\$1,000,000) R	(\$1,000,000) R
Daily Personal Care Services Limit	(\$2,500,000) R	(\$5,900,000) R
Asset Policy Changes	(\$2,000,000) R	(\$3,800,000) R
Medicare Crossover Claims Payments	(\$6,500,000) R	(\$11,400,000) R
Physician Rates to 95% of Medicare Rates	(\$5,900,000) R	(\$11,500,000) R
Co-payments for Prescription Drugs	(\$3,160,000) R	(\$3,550,000) R
<b>Office of the Secretary</b>		
Community Action Agency Funds	(\$300,000) R	(\$300,000) R
<b>Division of Public Health</b>		
Health Promotion Activities	(\$1,000,000) R	(\$1,000,000) R
<b>Division of Aging</b>		
Eliminate 1 Position	(\$43,539) R	(\$43,539) R
Area Agency on Aging Administration Funds	(\$200,000) R	(\$200,000) R
UNC CARES Contract	(\$50,000) R	(\$50,000) R

	<b>FY 2001-02</b>	<b>FY 2002-03</b>
<b>Division of Blind Services/Deaf</b>		
Medical Eye Care Program	(\$100,000) R	(\$100,000) R
<b>Division of Facility Services</b>		
Fire Protection Revolving Loan Fund	(\$195,267) R	\$0
<b>Division of Mental Health</b>		
Housing Support for the Mentally Ill	\$1,000,000 R	\$1,000,000 R
Community Programs	\$3,500,000 R	\$3,500,000 R
<b>Division of Medical Assistance</b>		
CAP-MR/DD	\$1,000,000 R	\$1,000,000 R
Access to Dental Services	\$1,000,000 R	\$2,000,000 R
<b>Division of Public Health</b>		
Osteoporosis Task Force	\$150,000 NR	\$0 NR
Healthy Carolinians	\$1,000,000 NR	\$0 NR
Office of Minority Health	\$200,000 NR	\$0 NR
Heart Disease and Stroke Prevention	\$100,000 NR	\$0 NR
Arthritis Prevention Project	\$25,000 NR	\$0 NR
Prescription Drug Access Project	\$200,000 R	\$200,000 R
<b>Office of the Secretary</b>		
Adult Care Home Rate Methodology	\$50,000 NR	\$0 NR
<b>Division of Vocational Rehabilitation</b>		
Independent Living	\$320,000 R	\$320,000 R
	\$680,000 NR	\$0 NR
<b>State Budget, Planning and Management</b>		
Managed Care Patient Assistance Program	\$201,392 R	\$485,813 R

(contingent on passage of SB 199)	\$67,500 NR	\$30,000 NR
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## **Department of Transportation**

### **Public Transportation Program**

Restore Public Transportation Funding Elderly and Disabled	\$900,000 R	\$900,000 R
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Increase Public Transportation Funding Elderly and Disabled	\$500,000 R	\$500,000 R
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<b>Trust Fund for MH/DD/SAS and Bridge Funding</b>	\$47,525,675 NR	
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<b>HIPAA Compliance Funding</b>	\$15,000,000 NR	
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